

[Date]

[Borrower Name]
[Co-Borrower Name]
[Property Address]
[City, State, Zip Code]

RE: Notice of Loan Modification Denial and Notice of Default

Account Number: [Loan Number]

Dear [Borrower Name],

We are writing to inform you that we have completed our review of your application for a permanent loan modification following the expiration of your forbearance plan on [Forbearance End Date].

1. Decision Regarding Loan Modification

After a thorough evaluation of your financial documentation, we are unable to offer you a loan modification at this time for the following reason(s):

[Insert Specific Reason: e.g., Incomplete documentation, Debt-to-income ratio requirements not met, Investor guidelines, or Monthly income insufficient to support modified payment].

2. Notice of Default

Because your forbearance period has ended and a modification has not been approved, your loan is now in default. Your account is currently delinquent in the amount of \$[Total Past Due Amount], which includes principal, interest, taxes, and insurance premiums from [Date of First Missed Payment] to [Current Date].

3. Action Required

To bring your loan current and avoid further collection action or the commencement of foreclosure proceedings, you must pay the total past due amount listed above by [Due Date]. Payments should be made via [Payment Method].

4. Other Options

Although you did not qualify for a modification, you may still be eligible for other loss mitigation options, such as:

- **Repayment Plan:** Adding a portion of the overdue amount to your regular monthly payments.
- **Short Sale:** Selling the property for less than the remaining mortgage balance.
- **Deed-in-Lieu of Foreclosure:** Voluntarily transferring the property title to the lender.

5. Right to Appeal

If you believe this denial was made in error, you have the right to appeal this decision. You must submit your appeal in writing within [Number] days of the date of this letter to [Appeals Department Address/Email].

Please contact our Loss Mitigation Department at [Phone Number] between the hours of [Hours of Operation] to discuss your account.

Sincerely,

[Name of Sender/Department]
[Lender/Service Name]